GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3201
ANSWERED ON:14.12.2006
JOINT BID BY INDIA AND CHINA FOR ACQUISITION OF OIL FIELDS
Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

:

(a) whether India and China have decided to bid jointly for global acquisition of oilfields in future ;

(b) if so, the terms and conditions of this joint venture;

(c) whether any Memorandum of Agreement has been signed in this regard;

(d) if so, the details thereof; and

(e) the time by which the proposed joint venture would come into force ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) to (e) : The Ministry of Petroleum & Natural Gas, Government of India and the National Development & Reforms Commission (NDRC) of the People`s Republic of China signed a Memorandum of Understanding (MoU) on 12.1.2006 for enhancing cooperation in the field of oil and natural gas.

The MoU envisages to pursue investment opportunities in third countries by submitting joint bids for equity participation in oil producing fields and Exploration and Production (E&P) contracts; enhancing domestic capabilities and resources through joint pursuit of R&D proposals particularly in the areas of increased oil recovery and enhanced oil recovery in order to boost domestic production; mobilize national capabilities in the areas of Engineering and Petroleum services through joint ventures both in each other`s countries and in third countries; bring together their significant position in the international oil market by exploring the possibility of joint purchases of crude oil and gas, etc.

ONGC Videsh Limitd (OVL), a wholly owned subsidiary of Oil and Natural Gas Corporation Limited (ONGC) engaged in overseas E&P of oil and gas, is one of the joint partners with Chinese firms in the E&P projects taken up in Sudan, Syria, Colombia and Nigeria Sao Tome Principe.